



City Administrator's Report

June 2009

Dear Reader,

Each month, this report from the City Administrator's Office provides a brief summary and update of major activities, events, projects, and programs that impact the Santa Barbara community. Feel free to send me your comments and suggestions.

James L. Armstrong
jarmstrong@SantaBarbaraCA.gov
(805) 564-5301

Tony Ruggieri
truggieri@SantaBarbaraCA.gov
(805) 564-5311

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Key Meetings

City Council Meetings

Tuesday, June 23rd and Tuesday, June 30th.
City Hall Council Chambers, 735 Anacapa
Street, 2 p.m.

Community Events

Summer Solstice Festival

Friday, June 19th to Saturday, June 20th, from
4 to 9 p.m. at Alameda Park. Celebrate the
summer with food, music and fun.

Summer Solstice Parade

Saturday, June 20th, Cota to Micheltorena
Streets at Noon. Enjoy a parade of colorful
costumes, masks, dance, and music.

Flags on State Street

Summer Solstice

June 15th to 22nd

Santa Barbara Zoo

June 22nd to 30th

Independence Day

June 30th to July 6th

City Administrator's Office

Council Prepares to Adopt Budget. After two months of review and deliberations, the City Council will make final adjustments and consider adopting the Fiscal Year 2010 Recommended Budget on Tuesday, June 23rd. Council proposed several changes to the Recommended Budget at their last discussion on June 16th, including restoring filled employee positions that were scheduled for layoff. The Recommended Budget will balance a \$10.8 million deficit in the General Fund with the following strategies: 1) department budget adjustments; 2) increases in various fees and charges; 3) citywide labor measures; 4) structural budget changes; and 5) delays to capital improvements. As part of the proposed budget, an agreement was reached

recently with the S.E.I.U. bargaining unit to implement a citywide employee furlough or unpaid leave for 104 hours in the upcoming fiscal year. To watch department budget presentations and Council discussions regarding the Recommended Budget, visit the City's website at: www.santabarbaraca.gov.

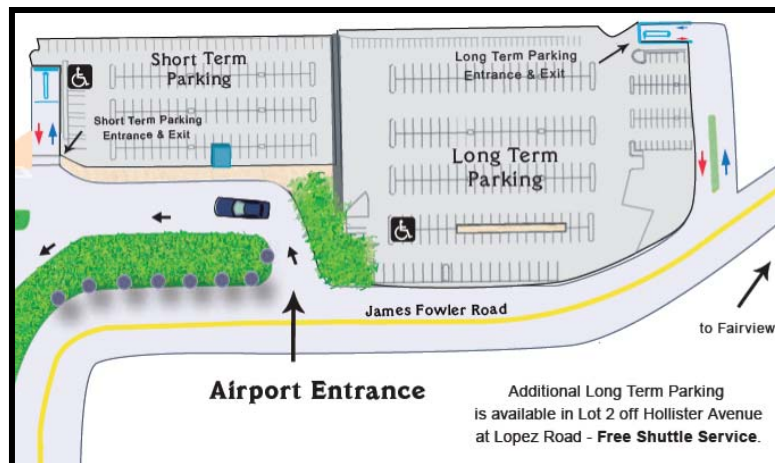
Inside Santa Barbara. *Inside Santa Barbara* is the City's only news magazine show that covers significant issues, projects, and events. This special hour-long episode covers the Jesusita Fire, Cater Water Treatment Ozonation, Police Activities League (PAL) Fundraiser, Parks and Recreation Department's Summer Camps, installation of the Santa Barbara Railcar, Nautical Swap Meet at the Harbor, the dedication of the World War II Memorial at the Santa Barbara Airport, and the City's business recycling and composting pilot program. *Inside Santa Barbara* airs on the following days and times on City TV Channel 18: Mondays at 8 and 8:30 p.m.; Tuesdays at 5 and 5:30 p.m.; Wednesdays at 6:30 p.m.; Saturdays at 9 and 9:30 p.m.; and Sundays at 10 and 10:30 p.m. Look for [Inside Santa Barbara online](http://www.santabarbaraca.gov) one week after its premiere date. For more information on *Inside Santa Barbara*, call City TV at 564-5311 or visit www.santabarbaraca.gov.

Administrative Services Department

Police Officer Recruitments. The City has been actively recruiting to fill seven Police Officer vacancies. Are you interested or do you know someone who would be a great Police Officer? Please submit your application materials for the next testing cycle. More information and an on-line application are available at: www.santabarbaraca.gov.

Airport Department

Reconfigured Terminal Parking Lots. On May 18th, the short-term parking lot was relocated to what used to be the western section of the Long Term Parking Lot. The old short-term lot is being converted to the construction staging site for the new Airline Terminal. If the existing Long Term Parking Lot at the terminal is at full capacity, travelers can go to Long Term Parking Lot 2 off Hollister Avenue near Fairview Avenue and take the complimentary shuttle service to the terminal. This free shuttle runs every 8 to 10 minutes and drops travelers off at the curb. Each parking lot now has automated payment for quick and easy exiting.



April Passenger Traffic Declines. Airline passenger traffic at the Santa Barbara Airport decreased in April 2009 as compared to the same month last year. This April, the Airport served 62,327 passengers, a decrease of 9.1% when compared to last April's passenger traffic count of 68,555. The highest average passenger loads were aboard the United Airlines flights to Denver (92%), US Airway flights to Phoenix (84.7%), and Delta flights to Salt Lake City (84.2%).

Dedication of World War II Memorial at Airport Vista Point. About 300 people attended a ceremony on May 21st to dedicate the World War II monument located at Vista Point on 500 James Fowler Road east of the Airline Terminal. A black granite monument bears the names of local aviators who lost their lives during WWII and lists the squadrons of U.S. Marine Corps that trained at the Airport from 1942 to 1946. The dedication program included a proclamation by Mayor Marty Blum, a 21-gun salute, and fly-bys by F4U Corsair and T28 Trojan aircraft.

Community Development Department

Jesusita Fire Rebuilding. In the City of Santa Barbara, five houses were destroyed and eight were damaged during the Jesusita Fire. Fire crews worked tirelessly above Foothill Road, and the Northridge and Ontare neighborhoods were saved due to their heroic efforts. The City is assisting affected residents with rebuilding efforts. For more information, visit the website at www.santabarbaraca.gov

Inclusionary Housing Ordinance Update. In May, the City Council approved revisions to the City's Inclusionary Housing Ordinance. The revised ordinance applies to residential subdivision projects of two through nine units, and requires that these types of projects pay an inclusionary housing fee of \$18,000 per unit. The collected fees will be used to finance new affordable housing units. For new construction projects of two, three or four units, one unit is exempt from the inclusionary fee. The new requirement applies to all ownership housing projects that receive approval from the Staff Hearing Officer or Planning Commission. Condo conversions and "dry lot" subdivisions (subdivided parcel without prepared housing plans) are subject to the Ordinance, but apartment projects are not. Prior to this revision, the Ordinance applied only to projects of ten or more units. For more information, please contact City Housing Programs staff at 564-5461.

Planning Commission Activities. In June, the Planning Commission will meet on June 18th:

On June 18th, the Commission will hold a discussion on Plan Santa Barbara, and make decisions on 2215 Edgewater Way (Coastal Development Permit for demolition of as-built structures), and hear an appeal of the Staff Hearing Officer decision on 226-232 Eucalyptus Hill Road (Lot Line Adjustment).

Finance Department

1st Quarter Sales Tax Down 17.6%. Sales tax for the quarter ended March 31, 2009 was down 17.6%, marking the worst decline in memory and the second consecutive double-digit quarterly decline. Santa Barbara was hit harder than most other cities and regions in the State, and only slightly better than the Bay area, Sacramento Valley and north coast regions. The statewide decline was 16.4%. Year-to-date, sales tax is down 9.7%.

SALES TAX								
Quarter Ended	FY 2006	Change from Prior Year	FY 2007	Change from Prior Year	FY 2008	Change from Prior Year	FY 2009	Change from Prior Year
Sept 30	5,164,138	14.5%	5,234,636	1.4%	5,154,452	-1.5%	5,123,439	-0.6%
Dec 31	5,034,371	1.8%	5,109,958	1.5%	5,125,067	0.3%	4,527,849	-11.7%
Mar 31	4,367,052	0.0%	4,698,398	7.6%	4,636,818	-1.3%	3,822,921	-17.6%
June 30	4,992,005	4.1%	5,240,527	5.0%	4,853,654	-7.4%		
Totals	\$ 19,557,566	5.0%	\$ 20,283,519	3.7%	\$ 19,769,991	-2.5%	\$ 13,474,208	-9.7%

May Transient Occupancy Tax (TOT) Down 15.7%. TOT from May 2009 was down 15.7% from the prior May. Although it is difficult to quantify the impact of the Jesusita Fire, hotels discounted rates to customers who were displaced which likely contributed to the decline. May 2009 had the same number of weekend days as May 2008. Year-to-date, TOT is down 5.5% from the prior year. The mid-year amended budget for TOT assumed a 1.2% decline.

TRANSIENT OCCUPANCY TAXES								
Month	FY 2006	Change from Prior Year	FY 2007	Change from Prior Year	FY 2008	Change from Prior Year	FY 2009	Change from Prior Year
July	\$ 1,477,789	13.5%	\$ 1,556,439	5.3%	\$ 1,613,163	3.6%	\$ 1,631,965	1.2%
Aug	1,504,589	10.8%	1,591,998	5.8%	1,645,684	3.4%	1,820,811	10.6%
Sept	1,109,428	19.1%	1,196,533	7.9%	1,218,695	1.9%	1,196,294	-1.8%
Oct	963,261	5.3%	1,051,043	9.1%	1,075,341	2.3%	1,049,515	-2.4%
Nov	809,684	12.1%	887,047	9.6%	870,754	-1.8%	770,009	-11.6%
Dec	671,965	16.8%	669,540	-0.4%	669,133	-0.1%	599,323	-10.4%
Jan	661,507	9.1%	677,428	2.4%	691,651	2.1%	680,474	-1.6%
Feb	738,532	5.6%	758,041	2.6%	811,319	7.0%	643,342	-20.7%
Mar	855,597	-1.9%	953,927	11.5%	1,000,573	4.9%	760,032	-24.0%
April	1,000,696	6.3%	1,046,772	4.6%	958,282	-8.5%	930,516	-2.9%
May	1,015,349	1.4%	1,052,582	3.7%	1,118,049	6.2%	942,633	-15.7%
June	1,223,974	5.7%	1,249,817	2.1%	1,262,909	1.0%		
FY Total	\$ 12,032,372	8.6%	\$ 12,691,167	5.5%	\$ 12,935,553	1.9%	\$ 11,024,915	-5.5%
Adopted Budget	\$ 11,504,200		\$ 12,630,600		\$ 13,581,500		\$ 13,334,000	3.1%
Amended Budget							\$ 12,785,113	-1.2%

Includes only the 10% unrestricted TOT revenues. Beginning in January 2001, an additional 2% is credited to Creeks/Clean Water (Measure B).

Airport Bonds Sold For Terminal Project. On May 27th, Airport Project bonds were sold in the amount of \$47,670,000 at an average interest rate of 5.15%.

As recently as last November, staff projected an interest rate as high as 7.7% due to the instability of the credit markets. But with the recovery and stabilization of the municipal credit

market, we were able to secure the 5.15% interest rate on our bonds. This rate is not only good by today's standards, it is an excellent rate by historical standards. The rate is attributable to our solid credit rating, the great work of our financing team, including our financial advisor, Kelling, Northcross, Nobriga, and our underwriter, Morgan Stanley, as well as Santa Barbara's "caché" in the credit markets.

In November, staff projected the annual debt service to be approximately \$5 million. Based on the actual sale, our actual annual debt service will be approximately \$3.1 million.

Saving Money and Energy. The City's 630 Garden Street building, which houses the Community Development and Public Works departments, recently upgraded its heating, ventilation, and air conditioning (HVAC) system and installed a building automation system (BAS) as part of the building renewal process.

A total of eight HVAC units were replaced with more efficient systems that will greatly reduce the amount of energy used, thereby resulting in significant cost savings. Additionally, remaining HVAC units were outfitted with air economizers that provide free cooling and additional ventilation. The system monitors the indoor air quality and controls ventilation as necessary.

These retrofits not only save money, but they also help this building in its pursuit of LEED-certification. The 630 Garden Street building is the first of several General Fund buildings to undergo these energy and cost-saving retrofits.

Fire Department

Jesusita Fire Recovery. In the City of Santa Barbara, five houses were destroyed and eight were damaged during the Jesusita Fire. Fire crews worked tirelessly above Foothill Road, and the Northridge and Ontare neighborhoods were saved due to their heroic efforts. The City is assisting affected residents with rebuilding efforts. For more information, visit the website at www.santabarbaraca.gov.

Library Department

A Sign of Peace. A total of \$500 has been donated towards the creation and installation of an artist's Peace Chair at the Solvang Library. The Santa Barbara Cultural Development Foundation sponsors the Peace Chair Project, whose mission is "To provide creative space for non-punitive conflict resolution by placing artist peace chairs in elementary schools, public libraries and other related public venues, making available accessible public art that serves to develop a culture of peace and facilitates learning within those organizations, communities and the world."

Summer Reading Program. The Central Library and five branches are gearing up for the Annual Summer Reading Program by visiting schools and training a small army of volunteers. Teens can fulfill their community service requirement for high school graduation by volunteering to listen to "book reviews" by the younger children and helping record the books read and milestones reached. For more information, visit: www.sbplibrary.org.

Healthy Snacks for Healthy Lifestyles. Eastside Branch Library partnered with Junior League of Santa Barbara for their "Kids in the Kitchen" program. Cesar Chavez Charter School came to the library for a "Healthy" story time, games about eating well, and a cooking demo about how to make healthy snacks.

Parks and Recreation Department

Olympic Day Events for Summer Fun Camp Participants. Every year, the world celebrates the birth of the Modern Olympic Games on June 23rd. This year, the City's Parks and Recreation Department will host Olympic events from Monday, June 22nd to Friday, June 26th for its Summer Fun participants. The Mayor will present a proclamation acknowledging the City's support of Olympic Day. Throughout the week, activities will include a mini-swim meet at Los Baños pool, flag-making, and a track and field meet supported by Club West on Friday, June 26th, from 1 to 4 p.m. at La Playa stadium. For more information, visit: www.teamusa.org.

Hitting the Links. The popular City Golf Championship at the Santa Barbara Golf Club on May 23rd to 25th was a huge success. Two-hundred people competed, and 100 competitors participated in the Championship flight. Winner Jeff Wilson from Fairfield, California, shot 10 under par.

Robert Funai Receives Rosy Recognition. The Park and Recreation Commission recognized Rose Garden Volunteer Coordinator Robert Funai for his continued dedication to the A.C. Postel Memorial Rose Garden. The Santa Barbara Rose Society celebrated its 50th Anniversary at the A.C. Postel Memorial Rose Garden on April 25th and awarded Robert with a Bronze Medal from the All-American Rose Society, its highest level award, for his dedication and overall commitment coordinating volunteers at the City's accredited rose garden.

Police Department

PAL's Campership Alliance. The Santa Barbara Police Activities League (PAL) is kicking off summer by giving over 500 children an opportunity to go to an exciting summer camp. This is PAL's 9th year of Campership Alliance which is made possible by 12 non-profit camp providers in Santa Barbara. These organizations have pooled their scholarships and given them to PAL to administer. Some of these partners include the City of Santa Barbara Parks and Recreation Department, Elings Park, Wilderness Youth Project, United Boys and Girls Clubs, YMCA, Santa Barbara Zoo, and UCSB Junior Lifeguards. The scholarships are distributed throughout the community after input from local family advocates and school counselors, to ensure that the neediest families are able to participate. Parents can sign up their children by going to the PAL office located at 1300 Santa Barbara Street. The sign up times are from Monday through Thursday, 1 to 5 p.m. For more information, contact PAL at 962-5560.

Public Works Department

Cater Water Treatment Plant Survives Jesusita Fire. The Jesusita Fire broke out on the afternoon of May 5th in a canyon north of the City's Cater Water Treatment Plant. Helicopters used nearby Lauro Reservoir for water to drop on the fire. Water crews secured the Cater site, moved all chemicals and mobile equipment indoors, and cleaned leaves and debris off Cater's roof. On Thursday night, the crews were forced to evacuate Cater, as the fire swept through the area. Crews returned two hours later to find that the perimeter of the facility scorched, with minor damage to the facility. Due to the diligence and dedication of the Cater's personnel, uninterrupted water service was provided throughout the entire emergency. Many thanks to the Water Treatment and Distribution staff who kept the water flowing so that firefighters had ample water supplies and pressure to fight the fire.

West Cabrillo Pedestrian Improvements. This project improves the pedestrian linkage between the West Beach Neighborhood and the Harbor area. Work includes replacing the sidewalk along West Cabrillo Boulevard between Stearns Wharf and Castillo Street. Enhanced brick crosswalks with pedestrian amenities, such as bulbouts and a pedestrian-activated signal at Ambassador Park, will improve the safety and overall appearance of West Cabrillo Boulevard. New plazas at Chapala Street, Ambassador Park, Bath Street, and Los Baños Pool will create areas of interest, as well as Americans with Disabilities Act access to the beach path for bicyclists and pedestrians. New landscaping and public art at these plazas will further enhance the pedestrian experience. A signage program will highlight areas of interest along the Waterfront and provide information about the public art.

Construction is expected to begin in mid-June 2009, and be completed in early December 2009. Extensive public outreach was conducted during the design process and will continue throughout construction. There will be full access to the project area for the July 4th weekend and all of the Old Spanish Days Fiesta activities.

Waterfront Department

Marina 1 Replacement. Santa Barbara Harbor's largest dock system, Marina 1, was built in the mid-1970s and is in need of replacement. A phased project is planned to minimize disruption to boaters. In order to fund the project, the Waterfront Department applied for a loan from the California Department of Boating and Waterways with a 30-year term at 4.5% interest. To date \$5.5 million has been approved to construct the first four project phases, including the main walkway, gangway, utilities, and five dock "fingers." Construction bids have been received for the first phase of the project and construction is scheduled to begin in winter 2010.

Marina 4 Dock Fire. On May 4th at 7:30 a.m., a small fire was discovered near the end of Marina 4 "A" finger. A local "live aboard" discovered the fire and immediately notified Harbor Patrol. The fire was quickly extinguished before it could spread. Although the exact cause of the fire has not yet been determined, it appeared as though something smoldering inside a steel trash can burned through the rusted out bottom, which caused the wood decking to catch on fire. Approximately five feet of decking was charred and all of the electrical wiring and conduit was damaged in that section. The damage has been repaired. The trash cans in all the marinas

are being inspected for rust and will be replaced as needed. As an additional precaution, wooden deck boards under trash cans will be treated with fire retardant.

Oil Spill Grant. The Department of Fish and Game's Office of Spill Prevention and Response (OSPR), has awarded the City a \$25,000 grant to purchase an oil-spill containment boom and a storage trailer for emergency deployment during a major offshore oil spill. The boom would be used to secure the inner harbor against oil intrusion. Staff worked with OSPR staff, plus City and County Emergency Services staff to secure the grant. The Department anticipates delivery of the equipment and completion of mandatory Harbor Patrol training within the next 60 days.

Federal Channel Dredge Operations. The spring cycle dredging of the Federal Channel was completed on April 30, 2009. AIS Construction Company (AIS) removed a total of 84,000 cubic meters during the spring cycle and another 50,000 cubic meters of sand was removed during the fall cycle. This is the least amount of sand dredged from the Santa Barbara Harbor in many years as a result of incredibly mild conditions during last summer and winter. AIS will return in October and commence dredging for the fall cycle as part of the final year of their three-year contract with the Corps of Engineers.